

Lieutenant Governor

MICHAEL R. STYLER

DEPARTMENT OF NATURAL RESOURCES

Executive Director

State of Utah

Division of Oil, Gas and Mining

JOHN R. BAZA Division Director

May 8, 2008

Mr. Duane Crutchfield, or Plant Manager Ash Grove Cement Company P.O. Box 51 Nephi, Utah 84648

Re:

Escalation of Reclamation Surety to the Year 2012, Ash Grove Cement Company, County Canyon Mine, M0230024, Juab County, Utah

Dear Mr. Crutchfield:

The Division has escalated the surety amount of \$123,400.00 in 2007 dollars, to the year 2012. The escalation rate is 3.2%, resulting in a surety requirement of \$144,450.00. This increased amount is based on escalation only.

In addition to the increased surety, a new reclamation contract is required. Please contact surety coordinator, Mr. Jed Pearson, 801-538-5382, for instructions on how to submit the increase of \$21,050.00 and the new reclamation contract.

This surety amount and reclamation contract is due by July 8, 2008.

In addition, the Division would like to meet with you and determine if the existing Notice of Intention to Conduct Mining Operations (NOI) is adequate and reflects the current operation conditions at the County Canyon site. Please contact Ms. Leslie Heppler (801) 538-5257 or Ms. Beth Ericksen (801) 538-5318 to arrange the meeting by July 8, 2008.

If you have any questions concerning this letter, please contact either of the above named staff.

Sincerely,

Susan M. White Mining Coordinator

Minerals Regulatory Program

SMW:BE:pb

Cc: Jed Pearson Beth Ericksen Leslie Heppler BLM Opie Abeyta

Bob Dapler, 8900 Indian Creek Parkway, Suite 600, Overland Park, KS 66210

(annual report 2005, 2006, 2007 not received)

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